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JUIN FRANKLIN CARTER

(Jay Franklin)

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October 15, 1945

Col. Alfred McCormick Assistant Secretary of State

Dear Col. McCormick:

Here are the various reports I said I would send you: 1) Report on Organization of Political Intelligence; 2) Current and Projected Political Intelligence Operations (Secret); and 3) Report on the current operations of the Bownan-Field Committee on Migration and Settlement ("M" Project) from Henry Field.

Yours sincerely,

Idu Franklin Carte

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REPORT ON ORGANIZATION OF POLITICAL INTELLIGENCE

I. With the war in its closing phases it becomes increasingly evident that information concerning the intentions of foreign governments and even more important, the trends of foreign peoples, is needed.

would naturally take its place as a third column in the stream of information now arriving through the medium of organized military and scientific intelligence services. It is, however, considered that the precise and thorough methods, efficient and time tried, long utilized in gathering military and technological intelligence are at best inefficient, expansive, and inaccurate when applied to gathering political intelligence. Reflection on the fundamental nature of "political intelligence" turns through the vagaries of national economics, motivating ideologies, spiritual forces and security-seeking drives.

The measurement of the intentions of governments is the duty of the Foreign Service, with its world-wide network of missions, consulates and official contacts with foreign governments, as well as the President's and State Department's contacts with foreign diplomats at Washington or at international conferences.

The special assignment of political intelligence, as part of an organization of intelligence services, is to study the needs and interests of foreign peoples and to estimate the political and economic trends which reflect their needs and interests.

II. There are two ways of approaching this problem. The first and most obvious one is to recruit, train, pay and direct a corps



of special intelligence agents throughout the world. This method is administratively attractive since it offers assurance of discipline and control and apparent ease of operation.

Its defects are that it is expensive, apt to become routinized, more than apt to lead to difficulties with foreign governments, subject to Congressional criticism as a "Cloak-and-dagger" outfit, and calculated to lead to the belief that information obtained in this manner is of greater value than information and knowledge freely available to any intelligent observer. It is also expessed to counter-intelligence operations by other governments and could be exposed or penetrated by foreign agents. In my judgment the disadvantages are decisive.

The second way is to use the American people in their own foreign contacts as primary sources of intelligence: missionaries, explorers, students, technicians, journalists, business representatives, tourists, etc.

The advantage of this method is that the main cost of acquiring information is not borne by the government, that there is no secrecy to penetrate or expose, that no overtact is committed against any friendly government, and that it is easy to defend and justify both to public opinion and to Congressional criticism.

The disadvantages are that, as employed by its chief previous practitioners—the Japanese—it is cumbersome and apt to accumulate masses of insignificant details, and that it does not make due use of skilled observers or lend itself to rapid mobilization in any particular area or in any particular emergency.



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The purpose of this report is to show how means can be devised to overcome these disadvantages.

III. This form of intelligence operation requires a well-organized base in Washington. It is assumed that the findings of other intelligence organizations, under coordination, will be available to the State Department in order to estimate the importance of any special area or the urgency of any particular situation. In addition, however, liaison should be established with other government bureaus in order to utilize the entire Federal Government as a source of data for the purpose of political intelligence.

- 1) <u>Cultural Relations</u>. The Division of Cultural Relations, in cooperation with the Office of Education, should keep itself advised of the curricula of foreign educational systems in order to observe any trends which might be calculated to make future political difficulties.
- 2) Economic Relations. The Treasury, F.E.A., Commerce Department, Export-Import Early and similar agencies should maintain liaison with the State Department in order to observe any economic, commercial and financial developments which might lead to future political difficulties.
- 3) Labor and Social Relations. Liaison should be maintained with the Department of Labor and the Department of Agriculture or the major labor and agricultural organizations in order to observe any social developments which might lead to future political difficulties.
- 4) Scientific Relations. Close liaison should be maintained with all scientific agencies in order to observe any scientific

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trends which might lead to future political difficulties.

- 5) Demographic Relations. Close liaison should be maintained with the Bureau of Census and other private agencies in order to observe foreign demographic developments—involving migration, settlement, race relationships, birth-rates and death rates—in order to observe trends which might lead to future political difficulties.
- The above listing is not meant to be exhaustive but it does represent a way in which the State Department can develop in an orderly manner the creation of a system of liaison which will supply a factual basis for political intelligence operations in the field.

IV. The next step in this program is to recruit from the ranks of G-2, O.N.I., O.S.S. and F.B.I. skilled intelligence interrogators. In order to establish a continuing organization, it would be advisable also to establish a course in intelligence interrogation as part of the Foreign Service School and to give special intelligence ratings and classifications to Foreign Service Officers.

The current availability of men trained in intelligence interrogation should be used to supply interrogators to the principal foreign embassies and consulates of the United States and, in liaison with the Immigration Service, at airports and ports of entry. It would be the function of these interrogators to talk with American citizens, both abroad and on their return, and also, where feasible, to talk with foreign nationals in order to obtain insight into foreign situations, trends and interests. In foreign

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missions, these interrogators could maintain informal liaison with American residents.

Reports from these interrogators should be forwarded, without review by U.S. diplomatic representatives, to the State Department. This is essential, if we are to have the value of direct political reports from the field. Such reports should be garallel in order that opportunity be given to the development of major discrepancies.

where major discrepancies develop under this system of parallel reports, it is indicated that special reports should be obtained. For this purpose it is suggested that the "look-see" system be employed as with the mission of Eark Etheridge to Bulgaria and Roumania. That is to say, one or more competent observers, public or private, should be enabled to go to the place in question on legitimate business with the added directive that they should try to form a personal opinion as to the situation which the Department wishes to investigate.

mission of political intelligence. If so sent, the agent is apt to try too hard to find political significance where none may, in fact, exist or to exaggerate the importance of political developments. Experience suggests that, in this connection, outsiders see most of the game and it is easier for an observant individual to get information casually and as a by-product of other activities than if he attempts to confine himself to intelligence operations.

V. This type of operation not only lends itself to economy and flexibility but can be developed as slowly or as rapidly as desired. There is no secret to penetrate and no large staff of field operatives to be paid or considered. The administrative burden is small.

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It represents a system of political intelligence which is based openly and firmly on the foreign contacts and operations of the American people themselves.

Since foreign intelligence services—Soviet and British—undoubtedly anticipate that we will adopt the bureaucratic type of intelligence service appropriate to war—time and dear to the average government administrator whose prestige reflects the size of his payroll and appropriations, it would seem a wise course not to do what we are expected to do but instead to develop a political intelligence service which is a free and easy expression of a free and easy people.

by: J. Franklin Contra

CURRENT AND PROJECTED POLITICAL INTELLIGENCE OPERATION

The small unit operating under my direction has based its policy on the assumption that the most important field for U.S. political intelligence is the British Empire. Soviet Russia and China are as yet chiefly to be considered as theaters of military intelligence. By directive from President Roosevelt I was ordered to keep out of Latin America.

The British Empire is not only in the position of a buffer between us and Eurasia. It also presents the theater where major collisions of economic policy are to be expected during the next few years. Moreover, the British Government has consistently endeavored to place itself in the position of middle-man in political contacts and intelligence on our part with non-British countries.

It should be added that it is our tendency to take the British for granted and not to concern ourselves with any systematic effort to establish reliable political intelligence from the Empire. In view of the serious economic and political necessities of the United Kingdom today, it would be unwise to ignore the various trends now developing inside the Empire.

The present operations are now under way:

1) S.C. Badger is in Paris, observing the French elections and studying the effort of British policy to establish a bloc which will include France and her possessions in a currency-raw

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material pool. He was originally slated to proceed from Paris to London, in order to study British economic policy. He has credentials from the Export-Import Bank and the Brotherhood of Railway Trainmen. He also has many personal contacts in the City of London and is the only man I know who unhesitatingly forecast a Labour landslide in the recent British elections.

- 2) E.F. Hiscock is being placed in a position to go to Australia for the National Maritime Union. He is an M.I.T. graduate and has served the government in various matters involving shipping. This mission is being deferred pending the outcome of a Union election in the N.M.U. By going to Australia under their auspices he should be in a position to get an intimate view of Australian politics.
- 3) R.L. Murphy is about to leave for Mountbatten's head-quarters at Kandy or Singapore, in order to write a laudatory biography of Louis Mountbatten. He has been fixed up with a bona fide contract from Knopf and the British intelligence at Washington are under the impression that Murphy's enterprise is their own idea. This assignment will take about six months and place Murphy, whom I have been training with this in mind for the past year, in a position to observe and understand all the British moves in Southeast Asia.
- 4) Henry Field is not himself trained to direct political intelligence since he is almost entirely devoid of political judgment. He is, however, a good agent for acquiring information as a well-known anthropologist and explorer. Two years ago, at



my direction, he began cultivating personal relations with the Soviet Embassy with the result that he was invited by the Soviet Union to attend the Moscow Academy of Science meeting last July. He was thus in a position to organize the other American scientists in the party as observers and to obtain reports from them which were forwarded to the President. He is also available for future scientific trips to the Soviet Union, which he visited before the war as representative of the Field Museum of Chicago. He is also of value as a contact with British officials and political personalities in Washington and the United Kingdom. For the past four years I have subsidized his regular Sunday evening parties which are the best place in Washington for picking up what the British Intelligence Service is up to in this country. He went to Eton and Oxford and is on terms of personal intimacy with the British group which administers when it does not run the Empire.

5) Commander C.B. Munson, U.S.N.R., is returning to Washington about January 1 and I have discussed with him a plan which will take him to the Union of South Africa and parhaps to India, as an independent investor and mine operator. Munson worked with this Unit from July 1941 to June 1942, during which period he distinguished himself by his handling of a Martinique intelligence assignment. He was naval intelligence—North Africa and Normandy—during the war and is an exceptionally sound observer. It would be a mistake not to utilize his services.

The above list includes the full-time members of the Unit on a political intelligence basis. Through my newspaper connection, I

maintain also close and accurate knowledge of American political trends, since in my judgment any political intelligence service which does not understand the politics of its own country is unrealistic and handicapped in assessing the importance to this country of political trends in other countries.